

**- Measure has helped rebound housing sales in the Hudson Valley - Washington, DC –**

With the \$8,000 tax credit for first-time homebuyers set to expire in less than two months, U.S. Rep. John Hall (D-Dover) is pushing to extend the tax break through 2010 to help middleclass homebuyers and strengthen the housing market. Congressman Hall is cosponsoring the First-Time Homebuyer Credit Extension Act (H.R. 1993), legislation to extend the tax credit through 2010 and he has also sent a bipartisan letter to Congressional leadership asking for quick action to address the situation.

As part of the American Recovery and Reinvestment Act that Congressman Hall helped pass, Congress authorized a tax credit of \$8,000 through November 2009. The current \$8,000 tax credit has contributed to 400,000 new home sales since February. Although almost two months remain in the duration of the program under current law, the average closing time for a home purchase is almost three months, meaning that new buyers who have not yet begun closing may already be too late.

"This tax incentive for first-time homebuyers has been extremely successful and made progress toward our economy recovering from the worst recession in generations," said Congressman Hall. "Since this tax credit was expanded in February, we have seen house sales rise and some glimpses of price stabilization. While there are some positive signs for the housing market, it still remains extremely fragile. An extension of the housing tax credit will maximize its impact for middleclass homebuyers and the housing market as we work to strengthen our economy."

From April through July, there were three straight months of rising home prices of single family homes. The numbers of home sales rose 11 percent from May to June, the largest gain in eight years. However, home prices still remain 15 percent lower than a year ago and first-time homebuyers continue to make up a third of all buyers.

With the program's end looming, homebuilders are already scaling back new home production. New housing starts were down 3% in August from the previous month, after 5 straight months of increases.